

**OFFICIAL FILE**  
**ILLINOIS COMMERCE COMMISSION**

**ORIGINAL**

(File this application via e-docket, or if unable to do so, file one original verified application with the Chief Clerk.)

Docket No. \_\_\_\_\_  
ICC Office Use Only

Please provide the appropriate information in the ( ) areas in the heading below.

IDT America, Corp. :

Application for a certificate of  
prepaid calling service provider authority  
in the :  
State of Illinois. :

05-0353

CHIEF CLERK'S OFFICE

2005 JUN -9 P 1:13

COMMUNICATIONS SECTION

**APPLICATION TO OBTAIN A**  
**"CERTIFICATE OF PREPAID CALLING SERVICE PROVIDER AUTHORITY"**  
(Use additional sheets as necessary.)

**GENERAL**

1. Applicant's Name (including d/b/a, if any)

FEIN # 22-3312697

IDT America, Corp.

Address: Street 520 Broad Street

City Newark State/Zip New Jersey 07102-3111

Please complete the following with respect to the Applicant and Underlying Carrier:

2. Please provide the Applicant's toll-free customer service number.

(800) 889-9126

3. In what area or areas of the state does the Applicant propose to provide service?

Statewide

4. Please attach a sheet designating contact persons to work with Illinois Commerce Commission Staff on the following:

- a) issues related to processing this application
- b) consumer issues
- c) customer service complaint resolution
- d) technical and service quality issues and compliance with service quality standards and remedies
- e) "tariff" and pricing issues
- f) security/law enforcement

Please identify each contact person's (i) name, (ii) title, (iii) mailing address, (iv) telephone number, (v) facsimile number, and (vi) e-mail address.

Please see **Attachment 1**.

5. Please check type of organization.

☐ Individual ☒ Corporation  
☐ Partnership Date corporation was formed 06/24/94  
In what state? New Jersey  
☐ Other (Specify) \_\_\_\_\_

6. Submit a copy of articles of incorporation or other organization documents, a copy of any contract with any underlying carrier(s) and a copy of certificate of authority to transact business in Illinois.

Please see **Attachment 2**

7. List jurisdictions (other than Illinois) in which Applicant is offering service(s).

All 49 states \_\_\_\_\_  
\_\_\_\_\_

8. Has the Applicant, or any principal in Applicant, been denied a Certificate of Service or had its certification revoked or suspended in any jurisdiction in this or another name?

☐ YES (Please provide details) ☒ NO

9. Have there been any complaints or judgments levied against the Applicant in any other jurisdiction?

☐ YES ☒ NO

If YES, describe fully. \_\_\_\_\_  
\_\_\_\_\_

10. Has Applicant provided service under any other name?

☐ YES ☒ NO

If YES, please list. \_\_\_\_\_  
\_\_\_\_\_

11. Is the Applicant seeking an expedited application pursuant to Section 13-404.1(b)?

☒ YES ☐ NO

If YES, please provide the name of the underlying carrier(s) and the docket number of the underlying carrier(s) certification proceeding. IDT intends to resell the services of certificated carriers, such as AT&T, MCI and Global Crossing. The Docket Nos. authorizing these carriers to provide service in Illinois are on file with the Illinois Commerce Commission.

## MANAGERIAL

12. Please attach evidence of the applicant's managerial and technical resources and ability to provide service. This may be in narrative form, resumes of key personnel, or a combination of these forms.

Please see **Attachment 3**.

13. List officers or principals of Applicant.

Howard Jonas

James Courter

Joyce Mason

Stephen Brown

Marc Knoller

Doug Mauro

14. Does any officer or principals of Applicant have an ownership or other interest in any other entity, which has provided or is currently providing telecommunications services? ☒ YES ☐ NO

If YES, list entity. Entrix Telecom, Inc.

15. How does Applicant propose to handle service complaints? (At a minimum, describe Applicant's internal process for complaint resolution, the complaint escalation process, the timeframe and process by which the customer is notified by Applicant that they may seek assistance from the Commission?)

Applicant employs Customer Service Representatives to handle service complaints. Applicant's internal process for complaint resolution is designed to resolve customer inquiries at the Customer Service Representative level. If customer satisfaction cannot be had at that level, the inquiry will be immediately transferred to a Customer Service Representative Manager. If the inquiry remains unresolved, it shall be transferred to Applicant's Legal Department for resolution. Applicant makes all effort possible to resolve customer inquiries on the same day the inquiry is presented. Whenever the customer expresses dissatisfaction with the resolution of the inquiry, Applicant will inform customer of his or her right to seek assistance from the Commission.

16. Does Applicant currently maintain service quality standards?

☒ YES ☐ NO

If YES, please attach what those standards are, any credits that may be issued for failures and how customers are notified.

It is the goal of IDT to provide our users at all times with a clear signal that permits our users calls to be completed with no interference or other distracting noise. If a user calls the Customer Service Department, IDT will run a test on the user's line and, if we are able to determine that the user experienced interference, IDT will credit the user's account. If the test is inconclusive, IDT will, at its discretion, provide the user with a credit.

17. Will personnel be available at Applicant's business office during regular working hours to respond to customer inquiries about service or billing? ☒ YES ☐ NO

18. What telephone number(s) would a customer use to contact your company (other than the toll-free customer service number provided in response to question 1)?

(973) 438-4827

19. Is Applicant aware that it must file tariffs prior to providing service in Illinois?

☒ YES ☐ NO

## FINANCIAL

20. Please attach evidence of Applicant's financial fitness through the submission of its most current income statement and balance sheet, or other appropriate documentation of applicant's financial resources and ability to provide service.

Please see **Attachment 4.**

## TECHNICAL

21. Does Applicant utilize its own equipment and/or facilities? ☒ YES ☐ NO

If YES, please list the equipment and / or facilities Applicant intends to utilize. Also include evidence that Applicant possesses the necessary technical resources to deploy and maintain said facilities:

IDT uses its own switches for the provision of prepaid calling card service; it uses the facilities of other carriers for origination and termination of traffic. Evidence of IDT's technical resources is included at Attachment 3 and as evidenced by the Commission's previous approval of IXC and CLEC authorization for IDT.

If NO, which underlying carrier's facilities does the Applicant intend to use?

22. Please describe the nature of prepaid service to be provided (e.g., general service, location specific service, discounted rates for specific countries, etc.).

IDT offers prepaid calling card services which permit users to place domestic and international calls, as well as to receive information services. Generally, IDT markets different cards which are tailored to appeal to different international destination, and, accordingly, have different international rates.

23. Will technical personnel be available at all times to assist customers with service problems?

☒ YES ☐ NO

24. Please attach a copy of the front and back of any prepaid calling cards Applicant currently sells.

Please see **Attachment 5.**

Carl Way Billitt

(Signature of Applicant)

# VERIFICATION

This application shall be verified under oath.

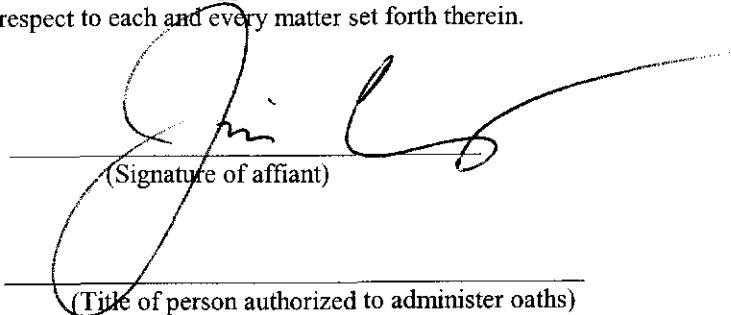
## OATH

State of New Jersey )  
 )ss  
County of Essex )

James Courter makes oath and says that he is President  
(Insert here the name of affiant) (Insert the official title of the affiant)

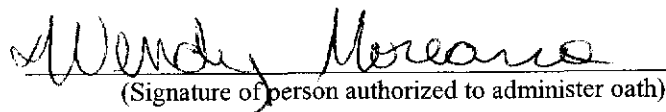
of IDT America, Corp.  
(Insert here the exact legal title or name of the Applicant)

that he has examined the foregoing application and that to the best of his knowledge, information, and belief, all statements of fact contained in the said application are true, and the said application is a correct statement of the business and affairs of the above-named applicant in respect to each and every matter set forth therein.

  
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public/  
(Title of person authorized to administer oaths)

in the State and County above named, this 6 day of June, 2005.

  
(Signature of person authorized to administer oath)

WENDY MOREANO  
A Notary Public of New Jersey  
My Commission Expires 9/21/08



## ATTACHMENT 1

4. Please attach a sheet designating contact persons to work with Staff on the following:

- a) issues related to processing this application

Carl Wolf Billek, Associate General Counsel  
520 Broad Street  
Newark, New Jersey 07102-3111  
(973) 438-4854 (Telephone)  
(973) 438-1455 (Facsimile)  
[Carl.Billek@corp.idt.net](mailto:Carl.Billek@corp.idt.net) (Email)

- b) consumer issues

Anthony Acevedo, Customer Service Manager  
520 Broad Street  
Newark, New Jersey 07102-3111  
(973) 438-4827 (Telephone)  
(973) 438-1455 (Facsimile)  
[Anthony.Acevedo@corp.idt.net](mailto:Anthony.Acevedo@corp.idt.net) (Email)

- c) customer service and complaint resolution

Anthony Acevedo, Customer Service Manager  
520 Broad Street  
Newark, New Jersey 07102-3111  
(973) 438-4827 (Telephone)  
(973) 438-1455 (Facsimile)  
[Anthony.Acevedo@corp.idt.net](mailto:Anthony.Acevedo@corp.idt.net) (Email)

- d) technical and service quality issues and compliance with service quality standards and remedies

Carl Wolf Billek, Associate General Counsel  
520 Broad Street  
Newark, New Jersey 07102-3111  
(973) 438-4854 (Telephone)  
(973) 438-1455 (Facsimile)  
[Carl.Billek@corp.idt.net](mailto:Carl.Billek@corp.idt.net) (Email)

- e) "tariff" and pricing issues

Carl Wolf Billek, Associate General Counsel  
520 Broad Street  
Newark, New Jersey 07102-3111  
(973) 438-4854 (Telephone)  
(973) 438-1455 (Facsimile)  
[Carl.Billek@corp.idt.net](mailto:Carl.Billek@corp.idt.net) (Email)

f) security/law enforcement

Anthony Acevedo, Customer Service Manager  
520 Broad Street  
Newark, New Jersey 07102-3111  
(973) 438-4827 (Telephone)  
(973) 438-1455 (Facsimile)  
Anthony.Acevedo@corp.idt.net (Email)

Please identify each contact person's (i) name, (ii) title, (iii) mailing address, (iv) telephone number, (v) facsimile number, and (vi) e-mail address.

**ATTACHMENT 2**

**Articles of Incorporation and Certificate of Authority to Transact Business in Illinois**



**FILED**

**CERTIFICATE OF INCORPORATION**

**JUN 24 1994**

**OF**

**IDT AMERICA, CORP.**

**LONNA R. HOOKS**  
Secretary of State

The undersigned, of the age of eighteen (18) years or over, for the purpose of forming a corporation pursuant to the provisions of Title 14A, corporations, General, of the statutes of the State of New Jersey, does hereby execute the following Certificate of Incorporation:

**FIRST:** The name of the corporation is:  
IDT AMERICA, CORP.

**SECOND:** The purpose or purposes for which this corporation is organized are:

To conduct all activities set forth and permitted under and by virtue of the terms, conditions and provisions of Title 14A, "New Jersey business Corporation Act."

**THIRD:** The aggregate number of shares which the corporation shall have authority to issue is ten thousand (10,000) shares, no par value.

**FOURTH:** The address of the corporation's initial registered office is 1506 West Terrace Circle  
Unit #6  
Teaneck, NJ 07666

**FIFTH:** The name of the corporation's initial registered agent at such address is: David Barth  
1506 West Terrace Circle  
Unit #6  
Teaneck, NJ 07666

**SIXTH:** The number of directors constituting the initial Board of Directors shall be three (3).

**SEVENTH:** The name and address of each person who shall serve as Directors are as follows:

Howard Jonas, 3220 Arlington Avenue, Riverdale, NY 10463

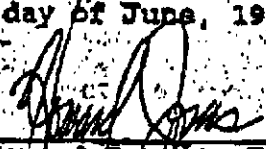
Deborah Jonas, 3220 Arlington Avenue, Riverdale, NY 10463

Joyce J. Mason, 170 W. 23rd Street, New York, NY 10011

**EIGHTH:** The period of existence of this corporation is unlimited.

**NINTH:** A director shall not be personally liable to the corporation or its shareholders for damages for breach of any duty owed to the corporation or its shareholders; except that this provision shall not relieve a director from liability for any breach of duty based upon an act or omission (a) in breach of such person's duty of loyalty to the corporation or its shareholders, (b) not in good faith or involving a knowing violation of law or (c) resulting in receipt by such person of an improper personal benefit.

IN WITNESS WHEREOF, the undersigned incorporator has hereunto subscribed his name this 21th day of June, 1994.

  
Howard Jonas - Incorporator  
3220 Arlington Avenue  
Riverdale, NY 10463



OFFICE OF THE SECRETARY OF STATE

SPRINGFIELD, ILLINOIS 62756

GEORGE H. RYAN  
SECRETARY OF STATE

MAY 5, 1998

5993-220-9

C T CORPORATION SYSTEM  
600 S 2ND ST  
SPRINGFIELD, IL 62704

RE IDT AMERICA, CORP.

DEAR SIR OR MADAM:

IT IS OUR PLEASURE TO APPROVE YOUR REQUEST TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS. ENCLOSED PLEASE FIND A CERTIFICATE OF AUTHORITY, ACKNOWLEDGING YOUR REGISTRATION.

THESE DOCUMENTS MUST BE RECORDED IN THE OFFICE OF THE RECORDER OF THE COUNTY IN ILLINOIS IN WHICH THE REGISTERED OFFICE OF THE CORPORATION IS LOCATED, AS PROVIDED BY SECTION 1.10 OF THE BUSINESS CORPORATION ACT OF THIS STATE. FOR FURTHER INFORMATION CONTACT YOUR RECORDER OF DEEDS.

THE CORPORATION MUST FILE AN ANNUAL REPORT AND PAY FRANCHISE TAXES PRIOR TO THE FIRST DAY OF ITS ANNIVERSARY MONTH (MONTH OF QUALIFICATION) NEXT YEAR. A PRE-PRINTED ANNUAL REPORT FORM WILL BE SENT TO THE REGISTERED AGENT AT THE ADDRESS SHOWN ON THE RECORDS OF THIS OFFICE APPROXIMATELY 60 DAYS PRIOR TO ITS ANNIVERSARY MONTH.

SECURITIES CANNOT BE ISSUED OR SOLD EXCEPT IN COMPLIANCE WITH THE ILLINOIS SECURITIES LAW OF 1953, 815 ILLINOIS COMPILED STATUTES, 5/1 ET SEQ. FOR FURTHER INFORMATION, CONTACT THE OFFICE OF THE SECRETARY OF STATE, SECURITIES DEPARTMENT AT (217) 782-2256 OR (312) 793-3384.

SINCERELY YOURS,

GEORGE H. RYAN  
SECRETARY OF STATE

DEPARTMENT OF BUSINESS SERVICES  
CORPORATION DIVISION  
TELEPHONE (217) 782-6961

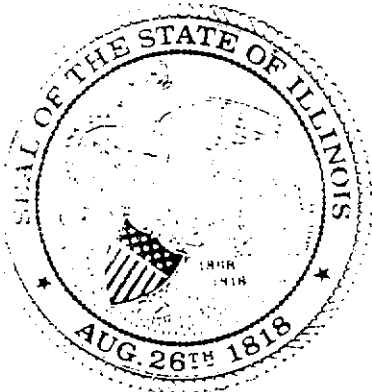
GHR:CD



**To all to whom these Presents Shall Come, Greeting:**

*I, George H. Ryan, Secretary of State of the State of Illinois,*

*do hereby certify that* IDT AMERICA, CORP., INCORPORATED IN THE STATE OF NEW JERSEY AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON MAY 5, 1998, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND IS AT THIS TIME A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS\*\*\*\*\*



**In Testimony Whereof,** *I hereto set*  
*my hand and cause to be affixed the Great Seal of*  
*the State of Illinois this* \_\_\_\_\_ **6TH**  
*day of* \_\_\_\_\_ **MAY** \_\_\_\_\_ *A.D., 19* **98**

*George H Ryan*  
\_\_\_\_\_  
SECRETARY OF STATE

# State of Illinois

## Office of The Secretary of State

Whereas, APPLICATION FOR CERTIFICATE OF AUTHORITY TO TRANSACT  
BUSINESS IN THIS STATE OF

IDT AMERICA, CORP.

INCORPORATED UNDER THE LAWS OF THE STATE OF NEW JERSEY HAS BEEN  
FILED IN THE OFFICE OF THE SECRETARY OF STATE AS PROVIDED BY THE  
BUSINESS CORPORATION ACT OF ILLINOIS, IN FORCE JULY 1, A.D. 1984.

Now Therefore, I, George H. Ryan, Secretary of State of the State of Illinois, by virtue of the powers vested in me by law, do hereby issue this certificate and attach hereto a copy of the Application of the aforesaid corporation.

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, at the City of Springfield, this 5TH day of MAY A.D. 19 98 and of the Independence of the United States the two hundred and 22ND .



*George H. Ryan*

Secretary of State

Form **BCA-13.15**

(Rev. Jan. 1995)

APPLICATION FOR CERTIFICATE  
OF AUTHORITY TO  
TRANSACTION BUSINESS IN ILLINOIS**SUBMIT IN DUPLICATE!**George H. Ryan  
Secretary of State  
Department of Business Services  
Springfield, IL 62756  
Telephone (217) 782-1834

This space for use by Secretary of State

**FILED**

MAY 5 1998

GEORGE H. RYAN  
SECRETARY OF STATEThis space for use by  
Secretary of State

Date 5-5-98  
License Fee \$  
Franchise Tax \$ 25.-  
Filing Fee \$ 75.-  
Penalties \$  
Approved: [Signature] 100.-

1. (a) CORPORATE NAME: IDT America, Corp. [Signature]

(Complete item 1 (b) only if the corporate name is not available in this state.)

(b) ASSUMED CORPORATE NAME: \_\_\_\_\_

(By electing this assumed name, the corporation hereby agrees NOT to use its corporate name in the transaction of business in Illinois. Form BCA 4.15 is attached.)

2. (a) State or Country of Incorporation: New Jersey(b) Date of Incorporation: June 24, 1994(c) Period of Duration: Perpetual

3. (a) Address of the principal office, wherever located:

294 State StreetHackensack, New Jersey 07601(b) Address of principal office in Illinois:  
(if none, so state)None**EXPEDITED**

MAY 6 1998

4. Name and address of the registered agent and registered office in Illinois.

Registered Agent C T Corporation System

First Name

Middle Name

Last Name

Registered Office c/o C T Corporation System, 208 S. La Salle Street

Number

Street

Suite #

Chicago

City

60604

Zip Code

Cook

County

5. States and countries in which it is admitted or qualified to transact business: (Include state of incorporation)

New Jersey

6. Names and residential addresses of officers and directors:

Name	No. & Street	City	State	Zip
President	<u>see attached list of officers</u>			
Secretary	_____			
Director	<u>see attached list of directors</u>			
Director	_____			
Director	_____			

7. Purpose or purposes proposed to be pursued in transacting business in this state:  
(If not sufficient space to cover this point, add one or more sheets of this size.)

The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized to do business under the New Jersey Business Corporation Act and permitted under the Illinois Business Corporation Act.

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8. Authorized and issued shares:

Class	Series	Par Value	Number of Shares Authorized	Number of Shares Issued
Common Stock	(No series)	No par value	10,000	1,000

9. Paid-in Capital: \$1 . 050000

("Paid-in Capital" replaces the terms Stated Capital & Paid-in Surplus and is equal to the total of these accounts.)

10. (a) Give an estimate of the total value of all the property\* of the corporation for the following year: \$0
- (b) Give an estimate of the total value of all the property\* of the corporation for the following year that will be located in Illinois: \$0
- (c) State the estimated total business of the corporation to be transacted by it everywhere for the following year: \$20,000,000
- (d) State the estimated annual business of the corporation to be transacted by it at or from places of business in the State of Illinois: \$1,000,000

11. Interrogatories: (Important - this section must be completed.)

- (a) Office or offices to which all contracts with the corporation are forwarded for final acceptance:  
Office: 294 State Street, Hackensack, New Jersey 07601.
- (b) Number of shares of all classes owned by residents of Illinois: 0
- (c) Number of shares of all classes owned by non-residents of Illinois: 1,000
- (d) Is the corporation transacting business in this state at this time? No
- (e) If the answer to item 11(d) is yes, state the exact date on which it commenced to transact business in Illinois:

12. This application is accompanied by a certified copy of the articles of incorporation, as amended, duly authenticated, within the last ninety (90) days, by the proper officer of the state or country wherein the corporation is incorporated.

13. The undersigned corporation has caused this statement to be signed by its duly authorized officers, each of whom affirms, under penalties of perjury, that the facts stated herein are true. (All signatures must be in **BLACK INK**)

Dated April 10, 1998

IDT America, Corp.

(Exact Name of Corporation)

attested by

Joyce J. Mason

Joyce J. Mason, Secretary  
(Type or Print Name and Title)

by

Jim Courter

Jim Courter, President  
(Type or Print Name and Title)

\* PROPERTY as used in this application shall apply to all property of the corporation, real, personal, tangible, intangible, or mixed without qualifications.

\*\* When the response to #11(a) lists ONLY an Illinois address, then the total business as reflected in #10(c) is also considered to be Illinois business for the purpose of computing the Illinois allocation factor. By signing this application, the corporation affirms that it is aware that the amount of paid-in capital, and consequently the amount of license fees and franchise taxes, may be proportionately higher due to the Illinois address shown under #11(a).

## **ATTACHMENT 3**

### **Managerial and Technical Personnel**



## **Managerial and Technical Qualifications Key Personnel for Applicant**

**Howard S. Jonas** founded IDT Corporation in August 1990 and has served as Chairman of the Board and Treasurer since its inception and as Chief Executive Officer Since December 1991. He served as President of IDT Corporation from December 1991 through September 1996. Mr. Jonas has served as Chief Executive Officer and Treasurer of IDT America, Corp. since 1994. Mr. Jonas is also the founder of the Jonas Publishing Corp., a publisher of trade directories, of which Mr. Jonas has been President since 1979. Mr. Jonas received a B.A. in economics from Harvard University.

**James Courter** joined IDT Corporation as President in October 1996 and was named Vice Chairman and CEO of IDT Corporation in 2001. He has been the President of IDT America, Corp. since joining the Company. Mr. Courter has been a senior partner in the New Jersey law firm of Courter, Kobert, Laufer & Cohen since 1972. He was also a partner in the Washington, D.C. law firm of Verner, Lipfert, Bernhard, McPerson & Hand from January 1994 to September 1996. Mr. Courter was a member of the U.S. House of Representatives for 12 years, retiring in January 1991. From 1991 to 1994, Mr. Courter was Chairman of the President's Defense Base Closure and Realignment Commission. Mr. Courter also serves on the Board of Directors of Envirogen, Inc. He received a B.A. from Colgate University and a J.D. from Duke University Law School.

**Stephen Brown** joined IDT Corporation as its Chief Financial Officer in May 1995 and he has served as the Chief Financial Officer of IDT America, Corp. since its inception. From 1985 to May 1995, Mr. Brown operated his own public accounting practice servicing medium-sized corporations as well as high net worth individuals. Mr. Brown received a B.A. in Economics from Yeshiva University and a B.B.A. in Business and Accounting from Baruch College.

**Joyce Mason** has been the Secretary of IDT Corporation since its inception and has served as the Secretary of IDT America, Corp. since its inception. Previously, Ms. Mason was in private legal practice since August 1990. Ms. Mason received a B.A. from the City University of New York and a J.D. from New York Law School.

**Marc E. Knoller** joined IDT Corporation in March 1991 and has been the Vice President of IDT America, Corp. since its inception. From 1998 until March 1991, Mr. Knoller was director of national sales for Jonas Publishing. Mr. Knoller received a B.B.A. from Baruch College.

**Douglas Mauro** is the Senior Vice President for IDT Corporation and IDT America, Corp. He is responsible for all tax matters at IDT America, Corp. and IDT Corporation. Prior to joining IDT Mr. Mauro was Vice President, Tax for Inc Pharmaceuticals in Costa Mesa, California. Mr. Mauro has extensive experience in International taxes at various Pharmaceutical Companies where he served as the top tax officer.

**Keith Mendelson** has held several positions since joining IDT Corporation in 1995. Mr. Mendelson is presently the Executive Vice President of Retail Operations of IDT Telecom, Inc., a subsidiary of IDT Corporation. Mr. Mendelson received a B.A. from Yeshiva University.

**Kathy Timko** is the Executive Vice President of Engineering and Operations of IDT Telecom, Inc. Ms. Timko has served as Chief Operating Officer of InterExchange, IDT Corporation's Engineering and Operations Division, since 1998. From 1995 to 1998, Ms. Timko served as the Executive Vice President of Product Development and Operations at Call Sciences, a provider of enhanced telecommunications services. Prior to 1995, Ms. Timko worked at Bellcore (now Telcordia) and BBN Technologies. Ms. Timko holds a B.S. degree from Virginia Tech and a M.S. degree from Boston University.

## **ATTACHMENT 4**

### **Financial Resources**

Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements (Unaudited)**

**IDT CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

	January 31, 2005	July 31, 2004
	(Unaudited)	(Note 1)
	(in thousands, except share data)	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 161,242	\$ 142,177
Marketable securities	835,283	897,130
Trade accounts receivable, net	181,121	184,125
Other current assets	118,309	102,416
Total current assets	1,295,955	1,325,848
Property, plant and equipment, net	292,235	273,479
Goodwill	92,275	89,534
Licenses and other intangibles, net	26,652	32,928
Investments	83,937	66,870
Restricted cash and marketable securities	19,716	22,620
Other assets	59,738	62,637
Total assets	\$ 1,870,508	\$1,873,916
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Trade accounts payable	\$ 119,593	\$ 140,296
Accrued expenses	227,093	213,116
Deferred revenue	127,610	140,314
Capital lease obligations—current portion	23,743	21,793
Other current liabilities	50,023	9,404
Total current liabilities	548,062	524,923
Deferred tax liabilities, net	145,262	145,037
Capital lease obligations—long-term portion	28,757	31,810
Other liabilities	33,948	48,218
Total liabilities	756,029	749,988
Minority interests	126,881	132,695
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value; authorized shares—10,000,000; no shares issued	—	—
Common stock, \$.01 par value; authorized shares—100,000,000; 25,074,860 shares issued at January 31, 2005 and July 31, 2004; 18,593,923 and 19,140,933 shares outstanding at January 31, 2005 and July 31, 2004, respectively	251	251
Class A common stock, \$.01 par value; authorized shares—35,000,000; 9,816,988 shares issued and outstanding at January 31, 2005 and July 31, 2004	98	98
Class B common stock, \$.01 par value; authorized shares—100,000,000; 71,469,048 and 68,727,201 shares issued at January 31, 2005 and July 31, 2004, respectively; 69,756,756 and 67,118,911 shares outstanding at January 31, 2005 and July 31, 2004, respectively	715	687
Additional paid-in capital	837,347	800,618
Treasury stock, at cost, consisting of 6,480,937 and 5,933,927 shares of common stock and 1,712,292 and 1,608,290 shares of Class B common stock at January 31, 2005 and July 31, 2004, respectively	(131,596)	(122,044)
Deferred compensation	(29,082)	(13,795)
Accumulated other comprehensive income	33,813	19,909
Retained earnings	276,052	305,509
Total stockholders' equity	987,598	991,233
Total liabilities and stockholders' equity	\$ 1,870,508	\$1,873,916

See accompanying notes to condensed consolidated financial statements.

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**IDT CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

	Six Months Ended January 31,	
	2005	2004
	(In thousands)	
Net cash (used in) provided by operating activities	\$ (984)	\$ 45,549
<b>Investing activities</b>		
Capital expenditures	(39,659)	(39,557)
(Issuance) collection of notes receivable	(5,650)	15,320
Investments and acquisitions, net of cash acquired	(11,674)	(66,332)
Sales and maturities of marketable securities	2,767,922	1,084,415
Purchases of marketable securities	(2,669,120)	(1,027,939)
Net cash provided by (used in) investing activities	41,819	(34,093)
<b>Financing activities</b>		
Proceeds from exercise of stock options	2,756	48,291
Proceeds from exercise of stock options of Net2Phone	53	5,298
Proceeds from offering of common stock by Net2Phone	—	53,069
Proceeds from employee stock purchase plan	893	—
Purchase of Class B common stock	(1,985)	—
Cash and marketable securities restricted against letters of credit	2,904	(2,294)
Repayments of capital lease obligations	(13,429)	(16,190)
Distributions to minority shareholders of subsidiaries	(16,630)	(13,835)
Net cash (used in) provided by financing activities	(25,438)	74,339
Effect of exchange rate changes on cash and cash equivalents	3,668	3,644
Net increase in cash and cash equivalents	19,065	89,439
Cash and cash equivalents, beginning of period	142,177	99,046
Cash and cash equivalents, end of period	\$ 161,242	\$ 188,485
<b>Supplemental schedule of non-cash investing and financing activities</b>		
Purchases of property, plant and equipment through capital lease obligations	\$ 12,853	\$ 547
Issuance of Class B common stock for acquisitions	\$ —	\$ 5,355

See accompanying notes to condensed consolidated financial statements.

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**IDT CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**

	Three Months Ended January 31,		Six Months Ended January 31,	
	2005	2004	2005	2004
	(in thousands, except per share data)			
Revenues	\$608,846	\$526,973	\$1,238,565	\$1,040,028
Costs and expenses:				
Direct cost of revenues (exclusive of depreciation and amortization)	447,515	396,054	917,452	790,262
Selling, general and administrative	143,777	116,001	283,628	222,604
Depreciation and amortization	28,296	25,230	52,675	47,953
Non-cash compensation (all of which is attributable to selling, general and administrative)	5,059	5,012	9,892	8,603
Restructuring and impairment charges	8,780	833	11,415	5,204
Total costs and expenses	633,427	543,130	1,275,062	1,074,626
Loss from operations	(24,581)	(16,157)	(36,497)	(34,598)
Interest income, net	5,415	4,766	10,903	11,424
Other income				
Gain on sale of subsidiary stock	—	9,418	—	9,418
Arbitration award	—	21,618	—	21,618
Investment and other income, net	5,797	1,296	7,141	16,879
Income (loss) before minority interests and income taxes	(13,369)	20,941	(18,453)	24,741
Minority interests	(805)	402	(3,488)	(12,633)
Provision for income taxes	(3,551)	(2,927)	(7,517)	(7,658)
Net income (loss)	\$ (17,725)	\$ 18,416	\$ (29,458)	\$ 4,450
Earnings (loss) per share:				
Net income (loss):				
Basic	\$ (0.19)	\$ 0.22	\$ (0.31)	\$ 0.05
Diluted	\$ (0.19)	\$ 0.20	\$ (0.31)	\$ 0.05
Weighted-average number of shares used in calculation of earnings (loss) per share:				
Basic	95,635	85,618	95,412	84,122
Diluted	95,635	92,012	95,412	90,000

See accompanying notes to condensed consolidated financial statements.

**ATTACHMENT 5**

**Copy of Prepaid Calling Card**





### Phone Card Features:

- Domestic and International usage.
- No hidden fees or charges!
- For International rates call Customer Service:  
**1-800-749-9438.**

\$ Amount	Domestic Minutes
\$5	33
\$10	83
\$20	200

Usage rounded to the next full minute.  
Rates subject to change without notice.  
Card cannot be refunded, returned or  
exchanged except where prohibited by law,  
and has no surrender value. International  
rates may vary by city/cellular. Directory  
assistance surcharge of 85¢. If you are  
unable to resolve a complaint, you have the  
right to contact the state regulatory agency  
in state where card was purchased.

### Dialing Instructions For Card:

- 1 Dial **1-800-232-1227**, wait for greeting.
- 2 Enter PIN number when prompted:

PIN #: XXXXXXXXXX

- 3 At prompt:

For Domestic calls and calls to Canada, dial **1 + Area Code + Local Number**.

For International calls, dial **011 + Country Code + City Code + Local Number**.

For additional calls, don't hang up. Just press the (#) key 3 times and wait for prompt,  
then dial as described in step 3.

Service provided by IDT®. The IDT logo is a registered trademark of IDT Corporation. Card  
expires 12 months from date of activation. Calls must be made from a touch-tone phone.  
Payphone surcharge of 65¢ will apply. Card is non-refundable except where prohibited by  
law. Not responsible for loss, theft or unauthorized use of card or PIN. For Customer  
Service, call 1-800-749-9438. ©2000 IDT Corporation. All rights reserved.

S/N:

**0-926126338**

